

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

BLUEGROUSE CORPORATION
BOX 3510
KETCHUM, ID 83340

Instrument # 604135

HAILEY, BLAINE, IDAHO
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Index to: AMENDED COVENANTS & RESTRICTIONS

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(SPACE ABOVE LINE FOR RECORDER'S USE)

**FIRST AMENDED AND RESTATED DECLARATION ESTABLISHING
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR BLUEGROUSE RIDGE**

This declaration is made effective as of December 1, 2012 ("Effective Date") by Bluegrouse Corporation, Seaboard Properties Inc., Brian M. McCoy and Cynthia Halpin McCoy, collectively referred to as "Declarant" and Bluegrouse Ridge Homeowners Association (the "Association"). The Association is a non-profit corporation with rights and duties and responsibilities under a Declaration Establishing Covenants, Conditions, and Restrictions for Bluegrouse Ridge recorded September 12, 2006 as Instrument # 539510 in the records of Blaine County, Idaho and Amendment No. 1 recorded June 2, 2009 as Instrument # 567890 in the records of Blaine County, ID (referred to collectively as the "Original Declaration").

Pursuant to Section 11.01 (e) and Section 12.01 of the Original Declaration, the Original Declaration is amended and superseded in its entirety by this First Amended and Restated Declaration (the "Declaration"). Further, pursuant to Section 11.01 (e), this Declaration is being executed by the President of Bluegrouse Corporation as Declarant and pursuant to Section 12.01 this Declaration is being executed by the President and Secretary of the Association, certifying and attesting that this Declaration has been approved by the written consent of owners representing more than 50% of the votes of the Association, and this Declaration shall be effective upon its recordation in the records of Blaine County, Idaho. Upon recordation, this Declaration will supersede the Original Declaration in its entirety and the Original Declaration, including Amendments thereto executed prior to the Effective Date of this Declaration, shall be of no continuing effect.

RECITALS

A. The Declarant is the owner of or has authority with regard to all that real property known as Bluegrouse Ridge Subdivision as described in Section 1.10; and on Exhibit A

B. The Declarant proposes to develop said real property in accordance with the maps and plans approved under the zoning and subdivision ordinances and regulations of the County of Blaine and the State of Idaho; and

C. The plat map was filed in the office of the Recorder of the County of Blaine, State of Idaho as Instrument #539509; and

D. Declarant declares that the Property shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied, and improved subject to the following terms, covenants, conditions, easements and restrictions, all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, subdivision, improvement, and sale of the Property, and to enhance, the value, desirability and attractiveness of the Property. The terms, covenants, conditions, easements, and restrictions set forth herein:

(a) Shall run with the land constituting the Property, and with each estate therein, and shall be binding upon all persons having or acquiring any right, title, or interest in the Property or any lot, parcel, or portion thereof;

(b) Shall inure to the benefit of every lot, parcel, or portion of the Property and any interest therein: and

(c) Shall inure to the benefit of, and be binding upon, Declarant's successors in interest, and each Owner and such owner's respective successors in interest, and may be enforced by Declarant, by any Owner, or by the Association as hereinafter described.

NOW THEREFORE, it is hereby declared that the Lots shown on the said plat map are held and shall be conveyed subject to the following covenants, conditions and restrictions:

ARTICLE I.

DEFINITIONS

1.01 "Association" shall mean Bluegrouse Ridge Homeowners Association, Inc., an Idaho corporation organized under the laws of the State of Idaho and composed of the Owners of the Lots as may be annexed hereto in accordance with the provisions of this Declaration.

1.02 "Building Envelope" shall refer to the designated area in each Lot shown on the Plat.

1.03 "Common Area" shall refer to all area, including easements, shown on the Plat herein referred to or shown on a recorded instrument as Common Area and such additional area as may be annexed hereto in accordance with the provisions of this Declaration.

1.04 "Declarant" shall mean Bluegrouse Corporation, an Idaho corporation, Seaboard Properties Inc., an Idaho corporation, Brian M. McCoy and Cynthia Halpin McCoy.

1.05 "Architectural Committee" shall mean the Architectural Committee established under Article IV hereof.

1.06 "Lot" shall mean the numbered Lots shown on the Plat or as may be annexed in the future, whether improved or unimproved.

1.07 "Member" shall mean the Owner of any Lot (except Lot 1A and Lot 1B in Block 2) shown on the Plat or as may be annexed in the future.

1.08 "Natural Grade" shall be determined by a grading plan prepared by the Owner's engineer establishing the existing natural grade using one foot contour intervals, prior to any site

work being undertaken. Such grading plan to be in sufficient detail as may be required by the Architectural Committee.

1.09 "Owner" shall mean and refer to the record owner, including the Declarant, whether one or more persons, of the fee simple title of any of the numbered Lots above described and include contract buyers but exclude those having such interest merely as security for the performance of an obligation.

1.10 "Plat" shall mean the Plat for BLUEGROUSE RIDGE SUBDIVISION, as recorded in the Office of the Recorder of Blaine County, Idaho.

1.11 "Property" shall mean all of the land described in Exhibit A attached hereto and any property, which may hereafter be subject to this Declaration by execution and recordation of a supplemental declaration, as hereinafter provided.

1.12 "Water System" shall mean the community water system supplying potable domestic, irrigation, and fire suppression water to all Lots as described in Article VI.

ARTICLE II.

USE REGULATIONS AND RESTRICTIONS

2.01 (a) No use whatsoever shall be made of any Lot except its use and improvement for a single family private residence including any accessory dwelling units as may be permitted by Blaine County, except that Lot 1A and Lot 1B, Block 2 is a duplex lot. Except with the consent of the Board, no trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Lot, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business be kept or stored on any Lot. Nothing in this paragraph shall be deemed to prohibit the right of the Owner of a Lot to maintain his professional personal library, keep his personal business or professional records or accounts, handle his personal business or professional telephone calls or confer with business or professional associates, clients or customers, on his Lot. The Board shall not approve commercial activities otherwise prohibited by this paragraph unless the Board determines that only normal residential activities would be observable outside of the Lot and that the activities would not be in violation of the applicable governmental ordinances. Lots owned by Declarant or its nominee may be used as construction offices or for the purpose of selling the Lots.

(b) Total building improvements (including residences, accessory dwelling units, basements and garages) on each platted Lot shall be limited to a maximum of 9,500 square feet floor area as measured from the exterior face of the exterior walls. The interior floor area of any primary home on each platted Lot in Block 1 shall contain a minimum of 3,200 square feet, exclusive of accessory dwelling units, basements, bulk storage rooms, and garages unless a written variance is provided by the Architectural Committee. No building including any building projections, such as patios, railings, exterior staircases, and other similar projections or accessory dwelling units, pools, spas, or tennis courts shall be constructed outside the Building Envelope for the Lot as depicted on the Plat. The overall height of any structure or improvement on any Lot shall not exceed thirty five (35) feet, measured in a vertical plane from the highest point of any roof ridge to the existing Natural Grade or as further restricted as recorded on the Plat. The maximum height of any structure or improvement on Lots 4 and 14

shall be limited to twenty eight (28) feet above Natural Grade. On Lots 4, 10, 11, 12, and 14, the second story shall not exceed 50% of the first story's square footage. After completion of the foundation and prior to start of framing, Owner will be required to submit to the Architectural Committee a certificate prepared and signed by a licensed civil engineer that the foundation has been poured in accordance with the Approved Plan and that the foundation grade level is at the proper height such that the first floor elevation will be at the same level as set forth in the Approved Plan. Such certificate shall specify the front and each side setback dimensions and the resultant first floor elevation based on the as-built foundation. Failure to comply will result in the immediate cessation of construction. Approval by the Architectural Committee of recommencement of construction will be given after any variance from the Approved Plan is either rectified or such variance is approved in writing.

(c) No more than one single family dwelling shall be erected or maintained on any one Lot and no more than one detached outbuilding per Lot, which may contain an accessory dwelling unit for guests (subject to applicable zoning regulations) and as may be approved by the Architectural Committee. No Lot shall be further subdivided. Notwithstanding the foregoing, two or more adjoining Lots, which are under the same ownership, may be combined and developed as a single Lot, subject to applicable zoning regulations. Setback lines along the common boundary line of the combined Lots may be removed, subject to appropriate Blaine County approvals, with the written consent of the Architectural Committee, if the Architectural Committee finds and determines that any improvements to be constructed within these setback lines will not cause unreasonable diminution of the view from any other Lot or otherwise adversely impact other Owners. In such cases, the Architectural Committee shall designate a new building envelope appropriate for the combined Lots, after receipt of approval from Blaine County has been received. It shall be the responsibility of any Owner desiring to combine two or more Lots to obtain approval from Blaine County and the Architectural Committee. If setback lines are removed or easements changed along the common boundary lines of combined Lots, the combined Lots shall be deemed one Lot and may not thereafter be split and developed as two Lots but shall be developed as, and remain, a single Lot. Similarly, if two Owners decide to buy a contiguous Lot(s) and add a portion of the purchased Lot(s) to each of their Lots, consent must be obtained from the Architectural Committee and Blaine County, if applicable, and once the Lot lines have been reconfigured, they may not thereafter be returned to the original Lot boundaries. Notwithstanding the foregoing, combined Lots shall be calculated as the original number of Lots for the purposes of sharing common expenses and voting on Association matters.

(d) All home improvements (except driveways and landscaping) shall be constructed within the designated Building Envelopes. The removal or disturbance of native shrub-steppe vegetation to accommodate construction activities should be minimized by restricting parking and storage of equipment and/or materials to the Building Envelope only.

(e) All Lots shall be maintained by the Owner, both prior to, and after construction of improvements thereon, in an attractive manner, free of trash and other unsightly material and in accordance with Idaho regulations regarding weed control. All improvements to any Lot shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the owner thereof, and no improvement shall be entitled to fall into disrepair. All landscaping shall be maintained in a neat, trim and orderly fashion. Should an Owner fail to maintain the landscaping to the satisfaction of the Architectural Committee, the Association shall send written notice of such violation to the Owner. If the Owner fails to remedy the violation within twenty days of receipt of such notice, the Association shall have the

right to hire a professional landscape firm to maintain the landscaping and charge the Owner the cost thereof plus a 20% service charge payable to the Association. The Owner shall reimburse the Association within twenty days of receiving such invoice.

(f) New landscaping and plantings shall accommodate existing vegetation wherever possible by allowing native material to co-exist within and around new plantings. Owners are encouraged to consider the arid environment of the Wood River Valley and any limitations on water usage in landscape design. A detailed landscaping plan must be submitted and approved by the Architectural Committee prior to the start of construction of any structures. Such plan must also show those areas of the Lot that are to be left undisturbed in their natural state. Landscaping of the Lot shall be completed within the earlier of sixty (60) days following completion of construction of the improvements or thirty (30) days following the date of occupancy, provided that an extension may be granted by the Architectural Committee due to cold weather.

(g) No trailer or garage shall be used as a temporary or permanent residence nor shall any residential structure be moved onto said subdivision from any other location without the written approval of the Architectural Committee. When the erection of any structure is approved, the work thereon must be prosecuted diligently, and said structure, including all landscaping pursuant to an approved landscaping plan, must be completed within eighteen (18) months, unless the Architectural Committee grants an extension. In the event of construction of an accessory dwelling unit on a Lot prior to construction of a primary dwelling, construction of a primary dwelling must commence within twenty-four (24) months of completion of the accessory dwelling unit.

(h) All Lots shall be on individual septic systems, which shall be operated and maintained in accordance with the Idaho Department of Environmental Quality (DEQ) and the South Central District Health (SCDH) standards and requirements. Lot 3 and Lots 7-13, Block 1, shall be required to install extended treatment systems approved by DEQ and/or SCDH. The Association shall be responsible for assuring periodic monitoring and inspection of all septic systems. For regular systems, inspection shall occur once every five years. For the extended treatment systems, inspection shall occur every three years or as required by DEQ and/or SCDH. These agencies may require Owners to enter into recorded, written agreements with an approved entity that manages small wastewater systems prior to issuance of a sewage permit by SCDH.

(i) Any improvements (including bridges and culverts) that traverse a drainage channel must be designed in consultation with the Blaine County Engineer so as to minimally restrict the flow of that channel during water runoff. Wherever possible, drainage channels are not to be changed or culverted, and they are to be kept as clear and free flowing as possible.

(j) All fencing must be approved by the Architectural Committee. No perimeter fences shall be allowed on property lines (except for the existing fence along portions of the plat boundary of the Property abutting the State of Idaho and Federal Bureau of Land Management properties, which complies with all requirements of the State of Idaho Department of Fish and Game). Fences will be allowed as required around swimming pools. Domestic pets must be contained upon the Lots and are not allowed to roam or otherwise harass wildlife. "Invisible fencing" is strongly encouraged to contain dogs. All fence locations, materials, and

heights shall be approved by the Architectural Committee regardless of whether they are constructed as part of the main residence or otherwise.

(k) No trailer, boat, recreational vehicle, or camper shall be kept on a Lot except within an enclosed building or screened from public view from outside the Lot. Appropriate materials for screening include evergreen type trees and shrubs, or fencing approved by the Architectural Committee. It is recommended that all trailers, boats, recreational vehicles or campers be stored off-site.

(l) No sign of any kind shall be displayed to the public view on any Lot except as permitted by the Architectural Committee; provided, however, that the Declarant shall not be subject to these restrictions during construction and marketing of the Property.

(m) Should delivery conditions or regulations dictate that there be free standing newspaper receptacles or mail boxes, the type of box and/or cluster arrangement shall be determined and/or approved by the Architectural Committee and rules for maintenance established by the Association.

(n) No Lot shall be used or maintained as a dumping ground for rubbish, machinery, equipment or motor vehicles. Trash, garbage or other waste shall not be stored except in sanitary containers. All trash cans, garbage containers or other equipment for temporary storage and disposal of such material shall be kept in a clean and sanitary condition and shall not be exposed to public view. The Association may designate an area on the Common Area where Owners may dispose of their organic waste, such as grass clippings and leaves, etc., which the Association may periodically transport to the County landfill.

(o) No trees, hedges or shrub plantings installed by any Owners shall be permitted within the road right of way except as approved in writing by the Architectural Committee and if such approval is granted, the foliage line must be maintained at a sufficient height or density to prevent obstruction of sight lines. Furthermore, landscaping may be denied if it is deemed to interfere with any subdivision improvements located within the road right of way.

(p) No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. All Lots and improvements thereon shall be kept and maintained by the Owner thereof in a clean, safe, attractive and sightly condition and repair.

(q) Easements for installation and maintenance of utilities and snow storage are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

(r) No vehicle repairs shall be permitted on any streets or driveways of any Lot, except minor emergency repairs.

(s) No commercial or industrial trucks (with the exception of standard pickups or vans), trailers or vehicles shall be stored on any Lot or on any of the streets fronting on any Lot except within the garage or in conjunction with construction of any improvements on such Lot.

(t) No horses or other farm animals or livestock may be kept on any Lot. Dogs, when outside, must be at all times in an enclosed yard, kennel, leashed, or contained by invisible fencing. Any household pet will be subject to expulsion from the Property upon complaint of three (3) or more Members, and upon a finding by the Board of Directors of the Association that said animal has created a nuisance.

(u) All utilities upon any Lot for the transmission of utilities, telephone service, the reception or audio or visual signals or electricity, and all pipes for water, gas, sewer, drainage, or other utility purposes, shall be installed and maintained below the surface of the ground.

(v) No activities shall be conducted on any Lot and no improvements constructed thereon which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Lot or any Common Area. No open fires shall be lighted or permitted on any Lot or any Common Area, including the burning of trash, garbage and other refuse.

2.02 The Board shall have the authority, in its sole discretion, to determine whether there is a violation of the Use Regulations and Restrictions contained in this Article II and shall notify the Owner. The Owner shall be responsible for remedying the violation as set forth in the notice. If the Owner fails to remedy the violation, the Association may remedy the violation and the Owner will be obligated to reimburse the Association for all costs and expenses incurred and the Association shall also have the authority to levy a Limited Assessment against such Owner, as set forth in Article 8.01(d). Such reimbursable costs shall include all actual or estimated costs of remedying such non-compliance, if applicable, reasonable attorney's fees incurred or to be incurred, reimbursement for time spent by members of the Architectural Committee and/or Board incurred in connection with any review or consideration of such noncompliance and all other out-of-pocket expenses. The Association may pursue collection of such Limited Assessment against such Owner and such Owner's Lot pursuant to this Declaration.

ARTICLE III.

TITLE TO COMMON AREA

3.01 The title and fee to all Common Area shall be transferred to the Association upon recording of the final Plat and creation of the Association.

3.02 All operational, maintenance and improvement expenses connected with the Common Area and the Water System shall be paid by the Association

3.03 The Association may create reasonable rules and regulations relating to the use of the Common Area by Owners.

3.04 A Water System shall be installed by Declarant for the benefit of the Owners as defined in Article VI.

ARTICLE IV.

ARCHITECTURAL COMMITTEE

4.01 The Architectural Committee shall be composed of at least three (3) persons as may be appointed by the Board of Directors. The vote or written consent of a majority shall constitute action of the Architectural Committee. The Architectural Committee shall report in writing all approvals and disapprovals of changes in the existing state of the Property to the Association.

4.02 The Architectural Committee shall establish reasonable procedural rules, regulations, restrictions, architectural standards and design guidelines (collectively referred to as the "Design Guidelines") copies of which shall be a part of the Association's records and shall be available to all Owners. The Design Guidelines are incorporated herein and shall be deemed to be a part of this Declaration and shall be binding on all Owners and their agents. The Architectural Committee may, in its sole discretion amend, repeal, or augment certain provisions of the Design Guidelines, provided however that as long as Declarant owns any Lot, any change to the Design Guidelines must be approved in writing by Declarant. The Design Guidelines shall not apply to Declarant and nothing contained herein shall be construed to prevent or impair in any way, any development, operation, construction or improvements by the Declarant or its agents.

4.03 No changes in the existing state of any Lot shall be made or permitted without the prior written approval of the Architectural Committee. Changes in the existing state of the Lot shall include without limitation, fences, the construction of any building, structure or other improvement, including utility facilities; the excavation, filling or similar disturbance of the surface of the land including, without limitation, change of grade, stream bed, ground level or drainage pattern, the clearing, marring, defacing or damaging of significant trees, shrubs, or other growing things; the landscaping texture or exterior appearance of any previously approved change in the existing state of the Lot. Notwithstanding the foregoing, approval of the Architectural Committee shall not relieve an Owner of its obligation to obtain appropriate approvals from local, state and/or federal agencies with respect to the proposed change if required.

4.04 The Architectural Committee shall have complete discretion to approve or disapprove any change in the existing state of the Lot and shall exercise such discretion to carry out the general purposes expressed in the Design Guidelines and to prevent violation of this Declaration. The Architectural Committee will attempt to render decisions to each applicant in writing within thirty (30) days after receipt of a complete application. The Architectural Committee may condition its approval of the Application upon such change(s) as it deems appropriate.

4.05 Prior to expenditures of any substantial time or funds in the planning of any proposed change in the existing state of the Lot, the Owner shall read and become familiar with the Design Guidelines and follow the procedures set forth therein with regard to submitting applications to the Architectural Committee. Each application shall require payment of a standard fee, which shall be used to defray the costs and expenses of the Architectural

Committee. The fee may be changed by the Architectural Committee as necessary to reflect changes in the costs and expenses of the Architectural Committee. To assure the Owners and builders compliance with the Design Guidelines and their agreement to build all structures, landscaping, and other improvements in complete conformance with approved plans, the Owner(s) and builder shall execute the Covenant To Build In Accordance With Approved Plan and submit a Compliance Deposit as set forth in the Design Guidelines which will be held by the Association until the Final Release has been issued by the Architectural Committee. If the Owner or builder fails to comply, in any way, with the Design Guidelines, or the Construction Regulations or fails to build in accordance with the Approved Plan, then the funds held in the Compliance Deposit may be used to pay the costs of correcting such failure. Funds remaining in the Compliance Deposit after the Final Release has been issued will be returned to Owner upon request. No interest will be paid to Owner on any Compliance Deposit.

4.06 Upon completion of construction, the Owner shall give written notice of completion to the Architectural Committee, which shall inspect the improvements within sixty (60) days. If the Architectural Committee fails to notify the Owner of any violation within one hundred eighty (180) days after receipt of notice of completion from the Owner, the improvements shall be deemed to be completed in accordance with the Approved Plan. If the Architectural Committee finds that (a) the Owner has not complied with the provisions of this Declaration and the Design Guidelines regarding construction or (b) the improvements have not been completed in accordance with the Approved Plan, the Architectural Committee shall notify the Board in writing of the violation(s).

4.07 Upon receiving a notice of violation from the Architectural Committee, the Board shall have the authority, in its sole discretion to determine whether there is a violation and shall notify the Owner of its decision within thirty (30) days. If the Board affirms that there is a violation, the Owner shall be responsible for remedying the violation as set forth in the notice from the Architectural Committee. If the Owner fails to remedy the violation, the Association may remedy the violation and the Owner will be obligated to reimburse the Association for all costs and expenses incurred and the Association shall also have the authority to levy a Limited Assessment against such Owner, as set forth in Article 8.01(d). Such reimbursable costs shall include all actual or estimated costs of remedying such non-compliance, if applicable, reasonable attorney's fees incurred or to be incurred, reimbursement for time spent by members of the Architectural Committee and/or Board incurred in connection with any review or consideration of such noncompliance and all other out-of-pocket expenses. The Association may pursue collection of such Limited Assessment against such Owner and such Owner's Lot pursuant to this Declaration.

4.08 Neither the Architectural Committee nor any member thereof past or present, the Homeowners Association or any member of its Board, past or present, nor the Declarant shall be liable to the Association, or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the duties of the Architectural Committee, unless due to the willful misconduct or bad faith of the Architectural Committee or such individual.

4.09 The Architectural Committee may authorize variances from compliance with the terms of the Design Guidelines. Such variances must be evidenced in writing and signed by a majority of the Architectural Committee. The granting of a variance shall not operate to waive any of the terms and provisions of the Design Guidelines except as to the specific terms contained in the variance.

ARTICLE V.

ESTABLISHMENT AND ORGANIZATION OF ASSOCIATION

5.01 The Bluegrouse Ridge Homeowners Association Inc. shall be incorporated as an Idaho corporation. The purposes and powers of the Association and the rights and obligations inherent in membership are set forth in its Articles of Incorporation and By-Laws, and the provisions of this Declaration with respect thereto are for general descriptive purposes only. The Association is and shall be obligated (a) to accept title to and maintain Common Areas and the Water System, and (b) to assure the functions and obligations imposed on it or contemplated for it under this Declaration and any similar functions and obligations under any supplemental declaration with respect to property now or hereafter subject to the Declaration.

5.02 The Association shall be governed by a Board of Directors, who shall be elected in accordance with the provisions set forth in the By-Laws.

5.03 A regular meeting of the Association will be held annually at the time and in the place prescribed by the By-Laws.

5.04 Each Owner of each Lot is subject to assessment by the Association as set forth in Article VIII. Each Owner of a Lot (except Lot 1A and Lot 1B, Block 2) shall be a Member of the Association and the membership shall be appurtenant to and shall not be severed from the Lot. The Owners of Lot 1A and Lot 1B, Block 2 may only be subject to Limited Assessments as set forth in Section 8.01 (d) and Excess Water Charges as set forth in Section 8.01 (b), if applicable.

5.05 Each Member shall be entitled to cast one vote at all meetings of the Association; provided however, if more than one Lot is combined subject to Section 2.01 (c), the Members owning the combined Lots shall be entitled to the same number of votes as the original number of Lots.

5.06 Written notice of any meeting of the Members of the Association shall be sent to all Members at their address shown in the books of the Association, by regular mail, not less than ten (10) days nor more than sixty (60) days in advance of the meeting and shall describe the nature of the business to be conducted. If the required quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented. Such adjournment shall be for not less than two (2) days from the original meeting date. In the absence of a quorum, no other business may be conducted at any such meeting.

5.07 Any vote may be cast by a Member in person, by proxy, or by written consent. All proxies shall be in writing, dated and signed by the members and filed with the Board of Directors before commencement of any meeting. No proxy shall extend beyond the specific meeting for which it was executed, and every proxy shall automatically cease upon sale by the Member or upon death or incapacity of the Member executing the proxy statement.

5.08 The Association shall obtain insurance from reputable insurance companies authorized to do business in the State of Idaho, and maintain in effect the following policies of insurance:

(a) Fire insurance including those risks embraced by coverage of the type known as the broad form "All Risk" or special extended coverage endorsement on a blanket agreed amount basis for the full insurable replacement value of all improvements, equipment and fixtures located within the Common Area.

(b) Comprehensive public liability insurance insuring the Board, the Association, the Declarants and agents and employees of each of the foregoing against any liability incident to the ownership and/or use of the Common Area in such amounts as the Association shall determine.

(c) Full coverage directors' and officers' liability insurance with limits in such amounts as the Association shall determine.

(d) Such other insurance, including motor vehicle insurance and Worker's Compensation insurance, to the extent necessary to comply with all applicable laws and indemnity, faithful performance, fidelity and other bonds as the Board shall deem necessary or required to carry out the Association functions or to insure the Association against any loss from malfeasance or dishonest of any employee or other person charged with the management or possession of any Association funds or other property or as required by any contract with a management agent or firm.

(e) The Association shall be deemed trustee of the interests of all Owners in connection with any insurance proceeds paid to the Association under such policies, and shall have full power to receive such Owner's interests in such proceeds and to deal therewith.

(f) Insurance premiums for the above insurance coverage shall be deemed a common expense to be included in the Regular Assessments levied by the Association.

(g) In its discretion, the Board may adjust any minimum insurance limits to reflect the impact of inflation on the value of the particular coverage required.

5.09 No member of the Board, or member of any committee of the Association, or any officer of the Association, or any of the Declarants, or the manager, if any, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on the account of any act, omission, error or negligence of the Association, the Board, the manager, if any, or any other representative or employee of the Association, any of the Declarants, or the Architectural Committee, or any other committee, or any officer of the Association, or any of the Declarants, provided that such person, upon the basis of such information as may be possessed by such person, has acted in good faith without willful or intentional misconduct, and, provided that such person has so acted, the Association shall indemnify and hold harmless said person from any damage, loss or prejudice aforesaid.

5.10 No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five percent (75%) of the Board of Directors and the written assent of 75% of the total voting power of the Association. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of the Declaration; (b) the imposition and collection of assessments; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims and/or third party claims brought by the Association in proceedings instituted against it. This section shall not be amended unless such amendment is made by the Declarants so long as Declarants remain Owners of any Lot and is approved by the

percentage votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

ARTICLE VI.

WATER SYSTEM

6.01 Declarant shall transfer all water rights and assets of the Water System to the Association, at no cost, which shall hold such rights for the benefit of the Owners.

6.02 Declarant shall construct and install a water system to supply water for all Lots and the Common Areas (the "Water System"). Title in fee to the Water System, including all wells, pumps, storage tanks, equipment and pipelines associated therewith, shall be vested in the Association. The Association shall maintain the Water System. The Association shall contract with a Certified Operator licensed by the State of Idaho per the most current edition of Idaho Rules for Public Drinking Water Systems, IDAPA 58.01.08 Sections 554-562. The Certified Operator shall ensure that the Water System is properly maintained, tested, and operated in accordance with DEQ standards for public water systems. Individual wells shall not be allowed on any Lot.

6.03 The Board shall be authorized to establish charges for water usage. The charges shall be designed to encourage conservation and may provide for charges for excess water usage (the "Excess Water Charge"). The Association shall be entitled to use the Water System, without charge, for Common Areas up to a maximum usage as set forth in the water permit.

6.04 Owners shall comply with Idaho law with respect to use of commonly held water rights in conjunction with privately held domestic water rights. Each domestic water service connection shall be fitted with a water meter approved by the Association. Water usage for each Lot shall not exceed ½ acre of irrigated area per Idaho Code 42-111 and shall not exceed 6,500 gallons per day.

6.05 The Association shall be responsible for maintenance of the Water System up to the point where the individual lot service from the water main crosses the property line. From this point, the installation of service to the residence and maintenance of said service is the responsibility of the individual Owner.

6.06 All expenses related to the Water System shall be borne by the Declarant until completion of construction of the Water System and thereafter by the Association. All costs incurred by the Association in the delivery of water including operating expenses, capital replacement, and system improvements shall be assessed as set forth in Article VIII.

ARTICLE VII.

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT

7.01 Each Owner shall have the right of enjoyment of the Common Area and the Water System including the easements and the facilities located thereon which are appurtenant to the Lot, subject to the following conditions:

(a) The right of the Association, as provided in its By-Laws to suspend the rights and privileges, including voting rights of any Member for any period during which an assessment (to which his interest is subject) remains unpaid and for a period not to exceed thirty (30) days for each infraction of its published rules and regulations and for the right to impose monetary penalties for violation of such rules and regulations after hearing by the Board of Directors of the Association. Any Owner shall be given ten (10) days notice, as set forth in Section 12.04, of any such hearing.

(b) The right of the Association to charge reasonable fees for the use of any facility, belonging to the Association.

(c) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area, Water System and facilities.

7.02 The Association shall have the obligation at its expense to maintain in a clean and orderly manner and in a good state of repair, the Common Area and the Water System and all improvements located thereon and to operate in a competent and efficient manner, all facilities located in its Common Area; and in the event of damage or destruction to the improvements, to repair and restore promptly after such damage or destruction occurs, all improvements thereon.

7.03 Any Owner may delegate his rights of enjoyment in the Common Area and in the privileges of the Association to the members of his family who reside upon a Lot, to any of his tenants who reside thereon under a leasehold interest for a term of one month or more, and to his guests; subject, however, to the By-Laws, rules, regulation and limitations of the Association. Such Owner shall notify the Secretary in writing of the name of such person and of the relationship of the member to such person. The rights and privileges of such person are subject to suspension the same as Owners, as provided in paragraph (a) of Section 1 of this Article.

ARTICLE VIII.

ASSESSMENTS AND LIENS

8.01 The Declarant, for each Lot owned within the Property hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the respective Association:

(a) Regular Assessments. The Board shall establish the "Annual Budget" which shall be an estimate of the expenses to be incurred by the Association in performing its functions under this Declaration including operating the Water System and a reasonable provision for contingencies and appropriate replacement reserves. Regular Assessments for each Lot (excluding Lot 1A and Lot 1B, Block 2) shall be determined by dividing the Annual Budget by the number of Lots. The Owners of Lot 1A and Lot 1B, Block 2 shall not be liable for Regular Assessments.

(b) Water Charges. The Board shall have the right to determine the amount of water usage that shall be included in the Regular Assessment and the rates for the Excess Water Charge as set forth in Article VI. The Owners of Lot 1A and Lot 1B, Block 2 shall each be liable for payment of Excess Water Charges, if applicable.

(c) Special Assessments. The Board shall have the right to charge a Special Assessment for capital improvements, which shall be computed in the same manner as the Regular Assessments. The Owners of Lot 1A and Lot 1B, Block 2 shall not be liable for Special Assessments. No Special Assessment shall be levied which exceeds twenty percent (20%) of the Annual Assessment without the vote or written assent of a majority of the votes of Members of the Association.

(d) Limited Assessments. The Board may levy Limited Assessments against any Owner including the Owners of Lot 1A and Lot 1B, Block 2, but excluding the Declarant, for monetary fines authorized by this Declaration or the By-Laws, and for expenses of the Association incurred in providing benefits, items, or services not provided to all Owners, whether such expenses are incurred (1.) upon the request of the Owner for specific items or services or (2.) as a consequence of the conduct of less than all of the Owners. The Association may also levy Limited Assessments against any Owners to reimburse the Association for costs incurred as set forth in Section 2.02, Section 4.07, or in enforcing the other provisions of this Declaration.

(i.) Architectural Committee Violations. In addition to reimbursable costs described in Section 4.07, the Association may impose an assessment in the amount of \$100.00 per day from the date of the Architectural Committee's determination of violations continuing through the date corrections are completed, as a compensatory charge to the Association for such violation, which may be assessed and imposed separately for each distinct violation. From time to time, the Board shall have the right, in its discretion, to periodically increase the \$100.00 per day amount described in the preceding sentence in order to reflect the impact of inflation.

(ii.) Other Violations. In addition to reimbursable costs described in Section 2.02, the Association may impose an assessment in the amount of \$100.00 per day for other violations continuing through the date corrections are completed, which may be assessed and imposed separately for each distinct violation. From time to time, the Board shall have the right, in its discretion, to periodically increase the \$100.00 per day amount described in the preceding sentence in order to reflect the impact of inflation.

(iii.) Repeat Violations. Notwithstanding any additional remedies available to the Association, any Owner, who receives a third letter, within a 12 month period, from the Association detailing violations of provisions of this Declaration, will be assessed a \$500.00 fee to reimburse the Association for costs and time incurred. Thereafter, any Owner, who receives further violation letters, will be assessed a \$100.00 fee per letter.

(e) Transfer Assessments. Upon transfer of title or sale of any Lot from an existing Member, excluding Declarant, to a new Member, the new Member shall pay a Transfer Assessment equal to \$250.00 to the Association to mitigate the costs associated with such transfer of title, such as establishing new accounting records, etc. The Owners of Lot 1A and Lot 1B, Block 2 shall not be liable for Transfer Assessments.

(f) Special Limited Transmission Line Assessments. The Property is burdened by overhead 238 KV transmission lines owned by Idaho Power Company which has

an easement for the construction, operation, and maintenance of the transmission lines; and if these transmission lines were to be buried or relocated in the future, the market values of Lots 4-15 of the Property would increase (hereinafter referred to as "T LINE Owner(s)" for the purposes of this Section 8.01 (f);

(i.) Votes. Each T LINE Owner shall be entitled to the number of votes as shown on Exhibit B hereto with regard to a decision to bury or relocate the transmission lines. If more than one Lot is combined subject to Section 2.01 (c) of the Declaration, the T LINE Owner of the combined Lots shall be entitled to the same number of votes as the total original number of votes of such combined lots.

(ii.) Notices. If at any time, an opportunity to bury or relocate the transmission lines is available, any T LINE Owner may notify the other T LINE Owners in writing regarding the proposal. Such notice shall include the estimated costs and timing of the proposal to bury or relocate the transmission lines. Each of the T LINE Owners shall have an option to vote to accept or reject the proposal and a vote of the T LINE Owners holding a majority of the votes shall be binding on the other T LINE Owners. Notices shall be deemed to be delivered within three days of when deposited in the United States Mail, postage pre-paid, or when received by overnight delivery service, telecopy, by email, or personally delivered. Each T LINE Owner agrees to vote within 30 days of receiving said notice. If a T LINE Owner does not cast a vote within the stated period the vote will be counted as a vote FOR the proposal.

(iii.) Assessment Amount. If a majority of the votes are cast in favor of the proposal, a Special Limited Power Transmission Assessment will be imposed on all T LINE Owners in proportion to the number of votes held under this Section 8.01 (f) and shall be payable under such terms and conditions as set forth in the notice. All Special Limited Transmission Line Assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Property against which each such assessment is made and shall also be the personal obligation of the person who was the T LINE Owner of such property at the time when the assessment became due. The personal obligation for delinquent Special Limited Transmission Line Assessments shall pass to his successors in title. T Line Owners shall not be entitled to take offsets from any Special Limited Transmission Line Assessment amounts for any reason.

(iv.) Modification and Termination. This Section 8.01(f) may be modified or terminated, in whole or in part, only with the consent of all of the T LINE Owners and then only by written instrument duly executed and acknowledged by all of the T LINE Owners and recorded in the office of the recorder of the county in which the Property is located. No modification or termination of this Section 8.01 (f) shall affect the rights of any lienholder unless the lienholder consents in writing to the modification or termination.

All assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such

assessment is made and shall also be the personal obligation of the person who was the owner of such property at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. Owners shall not be entitled to take offsets from assessment amounts for any reason.

8.02 Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and for the improvement and maintenance of the Common Area and Water System owned by the Association and including, but not limited to, the payment of taxes and insurance for the common properties, maintenance and repair, replacement and additions to the Water System, roads and other assets of the Association and for the cost of labor, equipment, materials, management and supervision of the Common Area and Water System.

8.03 Any assessment not paid within thirty (30) days after the due date, shall bear interest from the due date at the maximum rate allowed by law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot in the manner set forth in Idaho Code Section 45-1501 et seq. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot. Each of the Owners do hereby grant and appoint the Board of Directors as trustee to enforce such lien and to foreclose such lien by private power of sale, and the authority and power to sell the Lot of such defaulting Owner, or any part thereof, to satisfy said lien, for lawful money of the United States to the highest bidder. Such lien and the right to foreclose the same shall be in addition to and not in substitution for all other rights and remedies which the Owner and the Board of Directors may have to enforce the provisions hereof.

8.04 The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. The sale or transfer of any Lot shall not affect any assessment lien. However, the sale of any Lot pursuant to a mortgage or deed of trust foreclosure shall extinguish the lien of such assessments as to payments, which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

8.05 In addition to the remedies stated above, the Association upon violation or breach of any covenant, restriction or condition contained in this declaration, may enter upon any Lot where such violation or breach exists and may abate or remove the thing or condition causing the violation or breach or may otherwise cure the violation or breach. The costs incurred shall be billed to and paid by the Owner of the Lot. If the Owner of any Lot fails, after demand, to pay such costs then the Association shall have a lien, from and after the time a notice of such failure to pay is recorded in the records of Blaine County, Idaho, against the Lot of such Owner or Owners for the amount due and not paid, plus interest from the date of demand for payment at the statutory rate, plus all costs and expenses of collecting the unpaid amount, including reasonable attorneys' fees.

ARTICLE IX.

DAMAGE OR DESTRUCTION OF COMMON AREA IMPROVEMENTS

In the event of damage to or destruction of the Property of the Association, or any part thereof, the Association shall repair or replace the same from the insurance proceeds payable

to it by reason of such damage or destruction. If any such damage or destruction was insured against and the insurance proceeds are insufficient to cover the cost of repair or replacement of the property damaged or destroyed, the Association may make a special assessment in accordance with the provisions of this declaration, to cover the additional cost of the repair or replacement not covered by the insurance proceeds. Such special assessment is subject to the rules herein relating to Special Assessments. If any damage or destruction is caused by a casualty not insured against, then the repair or reconstruction shall be accomplished in the manner provided by a written agreement approved by the Members owning more than fifty percent (50%) of all the Lots after the plans for any repairs or reconstruction have been approved by the Association.

ARTICLE X.

ANNEXATION

10.01 Declarant shall have the right to annex to the real property initially encumbered by this Declaration and thereby bring within the scheme of this Declaration and subject to the jurisdiction of the Association any property adjacent to the initial property burdened by this Declaration and owned by the Declarant or its affiliates, successors, or assigns. Annexation of additional portions of the property may be accomplished in stages.

10.02 Any annexation shall be made by recordation of a supplemental declaration covering the real property to be annexed. The supplemental declaration shall describe the real property to be annexed and state that annexation is being made pursuant to this Declaration for the purpose of extending the jurisdiction of the Association to cover the phase of the project being annexed. The supplemental declaration may contain such complimentary additions and modifications to the terms of this declaration as may be necessary or desirable to reflect the different character, if any, of the phase being annexed and as are not inconsistent with the general scheme of this declaration. Annexation shall be effective upon recordation of the supplemental declaration and thereupon the real property described therein shall be subject to all of the provisions of this declaration, to the extent made applicable by the supplemental declaration, and to the jurisdiction of the Association pursuant to the terms of this declaration, the Articles and Bylaws.

10.03 Each owner of a lot in an annexed phase automatically shall be a Member of the Association and such owners and annexed real property shall be subject to assessment by the Association for the benefit of the project or any part thereof. The Association shall have the duties, responsibilities and powers set forth in this declaration, the articles and bylaws with respect to annexed real property. Except as may otherwise be expressly provided in this declaration or any supplemental declaration, the project shall be managed and governed by the Association as an entirety. Assessments collected from owners in the project may be expended by the Association anywhere in the project without regard to the particular phase, area or subdivision from which such assessments came. All owners shall have ingress and egress to and from all the common area throughout the project and any phase thereof and shall have use and enjoyment of any recreational facilities and other amenities contained within the common area throughout the project, provided that any such use shall be subject to the provisions of this declaration, any supplemental declaration, the bylaws and the rules and regulations.

ARTICLE XI.

SPECIAL DECLARANT RIGHTS

11.01 Declarant hereby reserves the right, from time to time, to perform the acts and exercise the rights (the "Special Declarant Rights") set forth below:

(a) Completion of Improvements. The right to complete improvements indicated on the Plat filed with this Declaration or in any annexed property.

(b) Sales, Management and Marketing. The right to locate, relocate and maintain sales offices, management offices, signs advertising the Property and models on any Lots.

(c) Construction Easements. The right to use easements through the Common Area for the purpose of making improvements within the Property.

(d) Control of Association. The right to appoint or remove any member of the Board of Directors, any officer of the Association, or any member of the Architectural Committee.

(e) Amendment of Declaration and Plat. The right to amend the Declaration and the Plat in connection with development of the Property, including the annexation of additional property as set forth in Article X.

(f) Dedications. The right to establish, from time to time, by dedication or otherwise, utility and other easements for the benefit of the Owners.

(g) Easements. The rights to an easement through the Common Areas as may be reasonably necessary for the purpose of discharging Declarant's obligations arising under this Declaration.

11.02 Unless sooner terminated by an amendment to this Declaration executed by the Declarant, any Special Declarant Right may be exercised by the Declarant so long as the Declarant (a) owns any Lot(s) or (b) holds a security interest in any Lot; provided, however, that all Special Declarant Rights shall terminate upon the earlier of (i.) ten years after the recording of this Declaration or (ii.) after the Declarant owns less than 20% of the Lots owned by Members. This period shall be defined as "Declarant Control".

11.03 Neither the Association nor any Members may take any action or adopt any rule and/or regulation that will interfere with or diminish any Special Declarant Rights without the prior written consent of the Declarant.

11.04 Any Special Declarant Rights created or reserved under this Article for the benefit of Declarant may be transferred to any person by an instrument describing the rights transferred and recorded in the records of Blaine County. Such instrument shall be executed by both the Declarant and the transferee.

ARTICLE XII.

MISCELLANEOUS PROVISIONS

12.01 The provisions of the Declaration may be amended by a vote or the written consent of fifty percent (50%) of the Members; provided however, no provisions may be amended which diminish any of the rights of the Declarant without Declarant's written consent. Irrespective of the provisions of this paragraph, the percentage of voting power to amend a specific clause herein shall prevail with relation to that specific Article.

12.02 In the event of any inconsistency between applicable law and any of these covenants or restrictions the applicable law shall govern. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no ways affect any other provisions, which shall remain in full force and effect.

12.03 Subject to the limitations contained in this Section, enforcement of the covenants, conditions, restrictions, easements, reservations, rights-of-way, and other provisions contained in this Declaration and the other project documents shall be through any proceedings at law or in equity brought by any aggrieved Member, the Association, or Declarant against the Association or any Member. Such actions may seek remedy by injunction or restraint of a violation or attempted violation, or an action for damages, or any of them, without the necessity of making an election. Any disagreement between or among any Owner or Owners and/or Declarant with respect to the interpretation or application of this Declaration or the obligations arising thereunder shall be resolved through direct negotiation if possible. In the event that the disagreement cannot be resolved through direct negotiation, the parties shall resolve the disagreement by arbitration. Such arbitration shall be conducted, upon request of the Owner or Declarant desiring arbitration, before a single arbitrator (unless the parties to such arbitration agree to more than one arbitrator) designated by the American Arbitration Association and in accordance with the rules of such Association. The arbitrator designated and acting under this Declaration shall make his or her decision in strict conformity with such rules and shall have no power to depart from or change any of the provisions thereof. In accordance with such rules, the arbitrator shall determine the controversy in accordance with the laws of the State of Idaho as applied to the facts found by them. All arbitration proceedings hereunder shall be conducted in the City of Ketchum, Idaho. Judgment upon the award rendered may be entered in any court having jurisdiction thereof. In any legal or equitable action between the Association and one or more Owners, the Association shall be entitled to recover all of its costs and attorney's fees if it prevails. This provision is intended to be unilateral and not reciprocal.

12.04 All notices, demands, or other communications required or permitted to be given hereunder shall be in writing, and any and all such items shall be deemed to have been duly delivered upon personal delivery; upon actual receipt, in the case of notices forwarded by certified mail, return receipt requested, postage prepaid; as of 12:00 Noon on the immediately following business day after deposit with Federal Express or a similar overnight courier service; or as of the third business hour (a business hour being one of the hours from 8:00 a.m. to 5:00 p.m. on business days) after transmitting by facsimile.

12.05 Failure by Declarant, the Association, or any Owner or first mortgagee to enforce any covenant, condition, restriction, easement, reservation, right-of-way, or other provision contained in this Declaration shall in no way or event be deemed to be a waiver of the right to do so thereafter.

12.06 The provisions of this Declaration shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions of it by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which provisions shall remain in full force and effect. Any provision, which would violate the rule against perpetuities and the rule prohibiting unlawful restraints on alienation, shall be construed in a manner as to make this Declaration valid and enforceable. The intent of this Declaration is, among other things, to grant to the Association and its Board of Directors the rights, powers, and privileges permitted by the Act to the fullest extent possible. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the maintenance and operation of the Property under the provisions of Idaho law. It is intended and covenanted that insofar as they affect this Declaration and the Property, the provisions of the Act under which this Declaration is operative shall be liberally construed to effectuate the intent of the Declaration.

12.07 Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.

12.08 The captions to the Articles and Sections are inserted only as a matter of convenience and for reference, and are in no way to be construed to define, limit, or otherwise describe the scope of this Declaration or the intent of any provision of this Declaration.

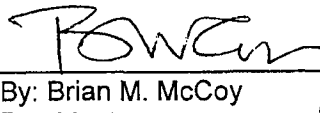
12.09 In case of conflicts between the provisions in this Declaration and the Articles of Incorporation or the Bylaws, this Declaration shall control.

12.10 Any Exhibits attached to and described in this Declaration are incorporated in this Declaration by this reference.

12.11 This Declaration shall be construed and interpreted in accordance with the laws of the State of Idaho.

DATED this 13th day of December, 2012.

Bluegrouse Corporation,
an Idaho corporation



By: Brian M. McCoy
President

Bluegrouse Ridge Homeowners Association,
an Idaho corporation

Brian M. McCoy

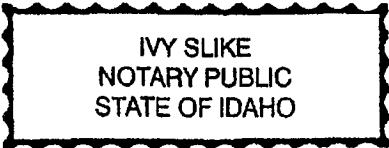
By: Brian M. McCoy
President

H. G. Hawn

By: Happy G. Hawn
Secretary

STATE OF IDAHO)
) ss.
County of Blaine)

On this 13 day of December, in the year of 2012, before me, a Notary Public in and for the State of Idaho, personally appeared Brian M. McCoy, President of Bluegrouse Corporation and President of the Bluegrouse Ridge Homeowners Association, and Happy G. Hawn, Secretary of the Bluegrouse Ridge Homeowners Association and acknowledged to me that they executed the same on behalf of the corporations.



Ivy Sluke

Notary Public

Residing At 102 3rd Ave Hailey, ID

My Commission expires: 1/20/2013

EXHIBIT - A

Legal Description of the Property

Lots 1-15 of Block 1, and Lot 1A, Lot 1B, and Parcel D of Block 2 according to the plat thereof of Bluegrouse Ridge which was filed in the office of the Recorder of the County of Blaine, State of Idaho as Instrument #539509 on September 12, 2006.

EXHIBIT - B

Bluegrouse Ridge Special Limited Transmission Line Assessments

(For purposes of Section 8.01 (f).)

<u>Block 1, Lot</u>	<u>Address</u>	<u>Number of Votes</u>
4	9 Bluegrouse Ridge Lane	27
5	10 Bluegrouse Ridge Lane	91
6	8 Bluegrouse Ridge Lane	211
7	31 Covey Run Lane	91
8	51 Covey Run Lane	91
9	71 Covey Run Lane	64
10	60 Covey Run Lane	27
11	50 Covey Run Lane	27
12	40 Covey Run Lane	27
13	30 Covey Run Lane	119
14	20 Covey Run Lane	161
15	10 Covey Run Lane	64
	Total	1,000